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Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	CFL LICENSE NO.: 60DBO-76942
)	
THE COMMISSIONER OF BUSINESS)	SETTLEMENT AGREEMENT
OVERSIGHT,)	
)	
Complainant,)	
v.)	
)	
COMMUNITY FIRST LENDING, LLC,)	
)	
Respondent.)	
)	

This Settlement Agreement is entered into between the Commissioner of Business Oversight (Complainant or Commissioner) and Respondent Community First Lending, LLC (Respondent or Community First) and is made with respect to the following facts:

I.

RECITALS

A. The Commissioner has jurisdiction over the licensing and regulation of persons and entities engaged in the business of finance lending or brokering under the California Financing Law (CFL) (Fin. Code, § 22000 et seq.).

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1 B. Community First is a Michigan limited liability company, with a principal place of
2 business currently at 13104 West Warren, Suite 1, Dearborn, Michigan 48126 and formerly at 23400
3 Michigan Avenue, Suite P-32, Dearborn, Michigan 48124.

4 C. Community First is licensed as a finance broker under the CFL with main license
5 number 60DBO-76942.

6 D. Respondent operates no branch offices.

7 E. In accordance with Financial Code section 22159, CFL licensees must file an annual
8 report with the Commissioner by March 15 of each year (Annual Report).

9 F. On January 16, 2018, the Commissioner notified CFL licensees of the March 15,
10 2018 deadline to file their annual reports by sending notice to the email address of each CFL
11 licensee established pursuant to the Commissioner's Order on Electronic Communications, dated
12 November 22, 2013. The notification admonished licensees that the Commissioner could assess
13 penalties and summarily revoke CFL license(s) for untimely filing or failing to file pursuant to
14 Financial Code section 22715.

15 G. On February 20, 2018, the Commissioner again notified CFL licensees of the March
16 15, 2018 deadline to file their annual reports by sending notice to the email address each CFL
17 licensee established pursuant to the Commissioner's Order on Electronic Communications, dated
18 November 22, 2013. The notification again warned that the Commissioner could assess penalties and
19 summarily revoke licenses for untimely filing or failing to file pursuant to Financial Code section
20 22715.

21 H. As of March 19, 2018, Respondent had not filed its Annual Report with the
22 Commissioner. As a result, the Commissioner issued an order by certified mail revoking
23 Respondent's license pursuant to Financial Code section 22715 effective April 9, 2018 unless it filed
24 its Annual Report by April 6, 2018.

25 I. As of April 11, 2018, Respondent had not filed its Annual Report with the
26 Commissioner. As a result, on April 11, 2018, the Commissioner issued an Order Summarily
27 Revoking California Finance Lenders License Pursuant to Financial Code Section 22715 for CFL
28 License Number 60DBO-76942 (Summary Revocation Order).

1 J. Upon receiving the Summary Revocation Order, Respondent timely notified the
2 Commissioner that Respondent was requesting a hearing on the Summary Revocation Order.

3 K. On April 18, 2018, Respondent submitted its Annual Report, which was due on
4 March 15, 2018, 24 business days late. Pursuant to Financial Code Section 22715, the maximum
5 penalty that may be imposed for filing 24 business days late is \$10,000.00 (\$100 per business day
6 for the first five business days and \$500 per business day thereafter up to a maximum of \$25,000).

7 L. In connection with these proceedings, Respondent represented to the Commissioner
8 that it had taken one new application on April 10, 2018 under its license because, Respondent
9 asserts, it did not at the time have actual notice of its license revocation effective April 9, 2018.
10 Respondent did not take further action on the application because the applicant did not qualify for a
11 loan.

12 M. The Commissioner finds that entering into this Settlement Agreement is in the public
13 interest and consistent with the purposes fairly intended by the policies and provisions of the CFL.

14 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
15 forth herein, the parties agree as follows:

16 II.

17 TERMS AND CONDITIONS

18 1. Purpose. The parties intend to resolve this matter for the purpose of judicial economy
19 and expediency and without the uncertainty and expense of a hearing or other litigation.

20 2. Waiver of Hearing Rights. Community First hereby agrees to withdraw its request for
21 an administrative hearing on the Summary Revocation Order(s). Community First acknowledges its
22 right under the CFL to an administrative hearing on the Summary Revocation Order(s) and hereby
23 waives such right to a hearing and to any reconsideration, appeal, injunction or other review that
24 may be afforded under the Financial Code; Administrative Procedure Act, including Government
25 Code section 11415.60, subdivision (b); Code of Civil Procedure; or any other provision of law. By
26 waiving such rights, Community First effectively consents to the finality of the Summary
27 Revocation Order(s).

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1 3. Order Reinstating License. The Commissioner hereby rescinds the revocation orders
2 referenced in paragraphs H and I.

3 4. Administrative Penalty. Community First shall pay an administrative penalty of
4 \$2,500.00 no later than 30 days after the effective date of this Settlement Agreement as defined in
5 paragraph 18. The penalty must be made payable in the form of a cashier's check or Automated
6 Clearing House deposit to the Department of Business Oversight and transmitted to the attention of
7 Accounting – Litigation, at the Department of Business Oversight, 1515 K Street, Suite 200,
8 Sacramento, California 95814. Notice of the payment must be concurrently sent to Jeremy F. Koo,
9 Counsel, at the Department of Business Oversight, 1515 K Street, Suite 200, Sacramento, California
10 95814.

11 5. Failure to Pay Administrative Penalty. If Community First fails to comply with
12 paragraph 4, the Commissioner may summarily suspend it from engaging in business under its
13 license until it provides evidence of compliance to the Commissioner's satisfaction. Community
14 First hereby waives any notice or hearing rights afforded under the Administrative Procedure Act,
15 including Government Code section 11415.60, subdivision (b); Code of Civil Procedure; or any
16 other provision of law to contest the summary suspension contemplated by this paragraph.

17 6. Full and Final Resolution. Except as stated in paragraph 5, this Settlement
18 Agreement is intended to constitute a full and final resolution of the matter described in it. The
19 Commissioner will not bring any further action or proceeding concerning the matter unless she
20 discovers violations by Community First that do not form the basis for this Settlement Agreement,
21 including violations knowingly concealed from the Commissioner.

22 7. Commissioner's Duties. Nothing in this Settlement Agreement limits the
23 Commissioner's ability to assist any other government agency with any action brought by that
24 agency against Community First, including an action based on any of the acts, omissions, or events
25 described in this Settlement Agreement.

26 8. Independent Legal Advice. Each of the parties represents, warrants, and agrees that it
27 has had an opportunity to seek independent advice from its attorney(s) and/or representatives with
28 respect to the advisability of executing this Settlement Agreement.

1 9. Reliance. Each of the parties represents, warrants, and agrees that in executing this
2 Settlement Agreement it has relied solely on the statement set forth herein and has had the
3 opportunity to seek the legal advice of its own counsel. Each of the parties further represents,
4 warrants, and agrees that in executing this Settlement Agreement it has placed no reliance on any
5 statement, representation, or promise of any other party, or any other person or entity not expressly
6 set forth herein, or upon the failure of any party or any other person or entity to make any statement,
7 representation, or disclosure of anything whatsoever. The parties have included this clause: (1) to
8 preclude any claim that any party was in any way fraudulently induced to execute this Settlement
9 Agreement; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or
10 contradict the terms of this Settlement Agreement.

11 10. Full Integration. This Settlement Agreement is the final written expression and the
12 complete and exclusive statement of all the agreements, conditions, promises, representations, and
13 covenants between the parties with respect to the subject matter hereof, and supersedes all prior or
14 contemporaneous agreements, negotiations, representations, understandings, and discussions
15 between and among the parties, their respective representatives, and any other person or entity, with
16 respect to the subject matter covered hereby. The parties have included this clause to preclude the
17 introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this
18 Settlement Agreement.

19 11. No Presumption Against Drafter. In that the parties have had the opportunity to draft,
20 review, and edit the language of this Settlement Agreement, no presumption for or against any party
21 arising out of drafting all or any part of this Settlement Agreement will be applied in any action
22 relating to, connected to, or involving this Settlement Agreement. Accordingly, the parties waive the
23 benefit of Civil Code section 1654 and any successor or amended statutes, providing that in cases of
24 uncertainty, language of a contract should be interpreted most strongly against the party who caused
25 the uncertainty to exist.

26 12. Voluntary Agreement. Community First hereby enters in this Settlement Agreement
27 voluntarily and without coercion and acknowledges that no promises, threats, or assurances have
28 been made by the Commissioner or any officer, or agent thereof, about this Settlement Agreement.

1 13. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of
2 this Settlement Agreement will be valid or binding unless it is in writing and signed by all parties
3 affected by it. Waiver of a provision of this Settlement Agreement will not be deemed a waiver of
4 any other provision.

5 14. Counterparts. The parties agree that this Settlement Agreement may be executed in
6 one or more separate counterparts, each of which when so executed, shall be deemed an original. A
7 fax or electronic mail signature shall be deemed the same as an original signature. Such counterparts
8 shall together constitute and be one and the same instrument.

9 15. Public Record. Community First acknowledges that the Settlement Agreement is
10 public record.

11 16. Headings. The headings to the paragraphs of this Settlement Agreement are inserted
12 for convenience only and will not be deemed a part hereof or affect the construction or interpretation
13 of the provisions hereof.

14 17. Governing Law. This Settlement Agreement shall be construed and enforced in
15 accordance with and governed by California law.

16 18. Effective Date. This Settlement Agreement will become effective on the date it is
17 signed by all parties and delivered by the Commissioner to Community First's managing member
18 Shawn Jackson by electronic mail at sjackson@communityfirstlending.com.

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1 19. Settlement Authority. Each party represents that the person signing this Settlement
2 Agreement on its behalf has the authority and capacity to do so.

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4 Dated: 5/2/18

JAN LYNN OWEN
Commissioner of Business Oversight

5
6 By _____
7 MARY ANN SMITH
8 Deputy Commissioner
Enforcement Division

9 Dated: 5/2/18

COMMUNITY FIRST LENDING, LLC

10 By _____
11 SHAWN JACKSON
12 Managing Member